

State of Arkansas
OFFICE OF STATE PROCUREMENT
1509 West Seventh Street, 3RD Floor
Little Rock, Arkansas 72201-4222

STATE CONTRACT AWARD

THIS IS A TERM CONTRACT ISSUED BY THE OFFICE OF STATE PROCUREMENT. THIS IS NOT
AUTHORITY TO SHIP. A SEPARATE PURCHASE ORDER WILL BE ISSUED. THIS CONTRACT
CONSTITUTES ACCEPTANCE OF YOUR BID ALONG WITH ALL TERMS AND CONDITIONS
THEREIN AND SIGNIFIES THE OFFERER'S KNOWLEDGE AND ACCEPTANCE OF ALL TERMS AND
CONDITIONS SET FORTH WITHIN THE INVITATION FOR BID.

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BUYER: JULIA SHACKELFORD
LEE COSTLEY

CONTRACT/BID NO.: SP-07-0034

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DESCRIPTION: 2007 GAS/ELECTRIC HYBRID VEHICLES
CONTRACT PERIOD: SEPTEMBER 1, 2006 THROUGH JUNE 30, 2007 OR CUT-OFF DATES

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DELIVERY REQUIREMENTS: AS SPECIFIED WITHIN

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PRICES ARE F.O.B. DESTINATION, INSIDE DELIVERY, UNLESS OTHERWISE SPECIFIED.

INVOICE AND DELIVER TO: AS SPECIFIED ON STATE AGENCY OR COOPERATIVE
PURCHASING PROGRAM PARTICIPANTS PURCHASE ORDER

CONTRACT AWARD TO:
ITEM 5: LANDERS FORD
4600 S. UNIVERSITY AVE
LITTLE ROCK, AR 72204
Little Rock, AR 72204

CONTACT NAME: MIKE BEARD
TELEPHONE: 501-570-3761
FAX: 501-570-3776
VENDOR #100001659

STATE OF ARKANSAS OFFICE OF STATE PROCUREMENT

BY: _____

Joseph A. Didelis

DATE: _____

9-5-06

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1. PURPOSE AND INTENT

It is the intent of this Invitation for Bid to solicit and obtain competitive bids as a basis for establishing a contract under which the State of Arkansas and Cooperative Purchasing Program Participants may purchase Hybrid-Electric Vehicles (HEV) that meets the Department of Ecology specifications for low emission vehicles.

2. TERM OF CONTRACT

The term of this contract will be from September 1, 2006 through June 30, 2007 or factory cut-off dates for each item, whichever comes first. Cut-off dates are established by the manufacturer and begin as early as January or as late as August.

3. QUANTITIES

Actual quantities of vehicles that will be ordered are not known at this time. Based on a survey response by state agencies there is an interest to purchase hybrid vehicles. Estimated quantities for mid-size sedans are 10. Estimated quantities for large sedans are 15. Estimated quantities for trucks are 10. Estimated quantities for SUV's are 10.

4. AWARD AND REQUIREMENTS

Contract will be awarded by line item. Option prices may be a determining factor in award of this contract. Bidder must also meet all requirements set forth by the Arkansas Motor Vehicle Commission.

5. REQUIREMENTS

All vehicles furnished to the State of Arkansas shall be new and of the latest model of proven performance and in standard production by manufacturer at time of delivery. Vehicles shall be furnished with all interior, exterior trim and appointments listed by the manufacturer in printed specifications and literature as standard equipment. Vehicles shall also be equipped with any and all safety equipment required by the State of Arkansas and/or applicable Federal Regulations. Specifications for these vehicles are minimum and bidders may bid more than one (1) model for each type, but they must meet or exceed the minimum specifications. Any upgrades and/or additional equipment necessitated by selection of any listed option by the ordering entity shall be included in the prices bid, and no additional charge shall be made by the vendor.

Vehicle to meet the Department of Ecology specifications for low emission vehicles.

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6. WARRANTY

Each vehicle shall be accompanied by a warranty for a minimum period of thirty six (36) months or thirty-six thousand (36,000) miles, whichever comes first, from date of delivery.

Warranty shall certify that the vehicle is of good material and workmanship and that the replacement of any part(s) that fail under normal use, free of negligence or accident, will be promptly repaired or replaced at NO cost to the agency, institution, or other public body that purchased the vehicle. If such failure renders the vehicle incapable of being driven, the supplier will be responsible for having the vehicle transported to his place of business. If such failure takes place outside the suppliers service area, the supplier will be responsible for reimbursing the nearest authorized dealer for services rendered under this warranty.

Tires are exempted from this warranty but must be covered by the tire manufacturer's standard warranty and services provided by the local authorized dealer of the tire manufacturer.

7. ACKNOWLEDGEMENTS AND PAYMENTS:

Awarded vendors must send, to the ordering entity, an order acknowledgement within 10 days after receipt of order. Upon delivery of the vehicle, the vendor is required to provide original invoice, odometer statement, certificate origin and any other documentation required to license and pay sales tax on vehicle. To ensure prompt payment, vendor must provide a copy of the invoice and the signature of agency representative on a copy of the purchase order or any other receiving document and date received to the "bill to address".

8. DELIVERY TO ARKANSAS STATE AGENCIES: F.O.B. DESTINATION

Bid prices must include delivery of all vehicles to the ordering agency regardless of location within the State of Arkansas. Bidder must state approximate delivery for each vehicle in the space provided. If delivery time stated is considered excessive by the Office of State Procurement, bid for that vehicle may be rejected. Failure to deliver the vehicle within the stated time may result in cancellation of the order of vehicle(s). If cancellation occurs, the Office of State Procurement may purchase the vehicle(s) from another source and charge the difference (if any) to the defaulting contractor.

9. INSPECTION AND SAMPLING

9.1 Responsibility for Inspection - Unless otherwise specified, the successful contractor will be responsible for performing all inspections required herein. The Office of State Procurement reserves the right to make any and all inspections deemed necessary to insure compliance with this specification.

9.2 Samples - After bid results are tabulated, the Office of State Procurement reserves the right to require samples of selected vehicles be made available for inspection and evaluation as required in the Invitation for Bid.

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10. PREPARATION FOR DELIVERY

10.1 Each vehicle shall be completely serviced, cleaned, and thoroughly inspected by the successful contractor prior to delivery to the purchasing entity. No dealer advertisement shall be on any vehicle purchased by the State of Arkansas.

11. PREDELIVERY REQUIREMENTS

- a. Complete lubrication.
- b. Fill crankcase with oil.
- c. Adjustment of engine to proper operating conditions.
- d. Inflate tires to proper pressure.
- e. Careful check to assure perfect operation of all mechanical features.
- f. Front end alignment and wheels balanced.
- g. Cleaning of vehicle, if necessary, and removal of all unnecessary tags, stickers, papers, etc. Window price sticker shall not be removed.
- h. No dealer's insignia shall be affixed to vehicle.
- i. A minimum of five (5) gallons of fuel in each vehicle.
- j. Delivery should be during normal working hours, Monday through Friday, 8 A.M. to 4 P.M., Central Time.
- k. License plate holders installed, front and rear.

12. ADDITIONAL OPTIONS NOT SPECIFIED:

State Agencies/Awarded Vendors cannot add options to vehicle purchases from this contract unless the option is referenced within this Invitation for Bid/Contract for that vehicle.

13. CLASSIFICATION

Vehicles covered herein shall be of the following types and options as specified in the Invitation for Bid.

- a. TYPE HCS: Four (4) door, compact sedan, 4-cylinder
- b. TYPE HMH: Four (4) door, mid-size hatchback, 4-cylinder
- c. TYPE HMS: Four (4) door, mid-size sedan, 6-cylinder
- d. TYPE HTT: Two (2) door, 1/2T Truck, Extended Cab, 2WD, 8-cylinder
- e. TYPE HFT: Two (2) door, 1/2T Truck, Extended Cab, 4WD, 8-cylinder
- f. TYPE HTU: Four (4) door, 5-Passenger SUV, 2WD, 4-cylinder
- g. TYPE HFU: Four (4) door, 5-Passenger SUV, 4WD, 4-cylinder
- h. TYPE HST: Four (4) door, 7-Passenger SUV, 2WD, 6-cylinder
- i. TYPE HSF: Four (4) door, 7-Passenger SUV, 4WD, 6-cylinder

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14. CONTRACT USAGE REPORT:

Awarded Vendor(s) shall provide to the Office of State Procurement a contract usage report. This report will reflect the total sales of each vehicle ordered against the contract. The report will include the item number, quantities sold, manufacturer, and model of vehicle, name of state agency or co-operative purchasing agency. This report must be sent quarterly or when requested by the State.

This report must be sent to: Office of State Procurement
Attn: Vehicle Buyer
1509 W. 7th Street, 3rd Floor
Little Rock, AR 72201-3966

or e-mailed to: julia.shackelford@dfa.state.ar.us

or faxed to: 501-324-9311
Attn: Vehicle Buyer

15. PRICE INCREASES

Price increases may be allowed if the manufacturer has a general price increase on any model on the contract. However, the price increase must be documented by a letter from the manufacturer and only that amount will be allowed. The effective date of the increase will be 10 days after Office of State Procurement accepts it. The successful vendor(s) must guarantee that the ordering agency will receive the full general price decrease or rebate amount the manufacturer offers on any vehicle(s) within this contract.

16. SELLING TO COOPERATIVE PURCHASING PROGRAM PARTICIPANTS

Arkansas Procurement Law provides that local public procurement units (counties, municipalities, school districts, certain not-for-profit corporations, etc.) may participate in state procurement contracts. The contractor(s) therefore agree(s) to sell to Cooperative Purchasing Program Participants. Unless otherwise stated, all standard and special terms and conditions listed within the Invitation for Bid must be equally applied to such participants. (Notice #17 for co-op participants.)

17. COOPERATIVE PURCHASING PROGRAM PARTICIPANTS NOTE:

In order to provide the discounted prices offered in this procurement package to both the State and the Cooperative Purchasing Program participants, the vehicle bidders must receive timely payment, payment for partial shipment on multiple vehicle orders, and have all required approvals obtained prior to order placement. All these conditions are being met by state agencies, who are required to have sufficient funds and approvals before orders are placed and to make prompt payment for vehicles as received. It is incumbent upon Cooperative Purchasing participants to

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have all approvals obtained and funds available to complete the purchasing transaction in a prompt manner. Most of the dealers have fifteen days from the time a vehicle leaves the factory to pay the manufacturers. In order to continue to receive the fleet pricing, you must ensure prompt payment for each vehicle as it is received.

18. DELIVERY TO ARKANSAS COOPERATIVE PURCHASING PROGRAM PARTICIPANTS:

Arkansas Cooperative Purchasing Participants will have the option to pick up vehicle(s) at dealership location or have vehicle(s) delivered to the ordering agency location with a charge per mile added to each vehicle. Bidder must state approximate delivery for each vehicle in the space provided. If delivery time stated is considered excessive by the Office of State Procurement, bid for that vehicle may be rejected. Failure to deliver the vehicle within the stated time may result in cancellation of the order of vehicle(s). If cancellation occurs, the Office of State Procurement may purchase the vehicle(s) from another source and charge the difference (if any) to the defaulting contractor.

STATE AGENCY GUIDELINES

1. ORDERING VEHICLES

All vehicles as defined by Arkansas Code Annotated of 1987 at section §22-8-206, will be ordered by the Department of Finance & Administration, Administrative Services. Vehicles not covered by Arkansas Code Annotated of 1987 at section §22-8-206, will be ordered by Ordering Agency after notifying the Office of State Procurement.

Agencies are strongly advised to place an order as soon as possible due to restrictions on plant capacity and fleet allocations. Once all orders are filled, you will have to wait for the next opportunity to order.

- 1.1 Ordering A state agency purchase order(s) and all necessary supporting documents will be sent to: AR Department of Finance and Administration
Office of Administrative Services
P.O. Box 2485
Little Rock, AR 72203

- 1.2 Options - Purchasers may select preferred options listed and include the information in their procurement request.

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ITEM 1: TYPE HCS: 4-DOOR COMPACT SEDAN
NO AWARD: TO BE RE-BID

ITEM 2: TYPE HMH: 4-DOOR MID-SIZE HATCHBACK, 4 CYLINDERS
NO AWARD: TO BE RE-BID

ITEM 3: TYPE HMS: FOUR (4) DOOR, MID-SIZE SEDAN, 6 CYLINDERS
NO AWARD: TO BE RE-BID

ITEM 4: TYPE HTT: 2-WD, 1/2T TRUCK W/EXTENDED CAB, TWO-DOOR
NO AWARD: TO BE RE-BID

ITEM 5: TYPE HTU: 5-PASSENGER SUV, FOUR-DOOR, 2WD
AASIS MATERIAL #1012532

Air Bags: Driver & Front Passenger, factory installed
Air Conditioning: factory installed
Alternator: type recommended by manufacturer for vehicle as equipped.
Battery: 330V, Ni-MH (Nickel-Metal Hybrid)
Brakes, Power Regenerative: 4-wheel Anti-Lock Brake System, factory installed
Doors: Four (4) manufacturer's standard type for vehicle, to include body side molding.
Emissions System: manufacturer's standard type for vehicle.
Engine Size/Cylinders: 2.3L/I-4
Floor Mats: front and rear, color to coincide with interior.
Horsepower, Net: 155 hp
Inside hood latch control
Keys: 2 sets
License plate brackets: front and rear
Mirrors: Dual Power
Operator's Manual
Paint: one (1) exterior color selected from manufacturer's standard list and specified by ordering entity.
Radio: AM/FM w/CD
Seat, Front: bucket
Seat, Rear: split w/tip-fold-flat latch
Steering: Electric Power-Assisted (EPAS)
Suspension: type recommended by manufacturer for vehicle as equipped.
Tinted Glass: all windows
Tires and wheels: (four) 4 radial, tubeless tires of the size and load range recommended by vehicle manufacturer for automobile as equipped.
Tire and wheel, Spare: one (1) mounted, either "space saver" or full size with lug wrench and jack
Towing, Class 1: up to 1000 lbs
Transmission: Electronically Controlled Continuously Variable (eCVT)
Upholstery: cloth material and colors to coincide with exterior color chosen.
Warranty, Basic: 3 years/36,000 miles
Warranty, Battery: 8 year/80,000 miles
Wheelbase: 103.1"

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MFG/MODEL BID	PRICE PER EACH
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<u>FORD ESCAPE HYBRID</u>	<u>\$24,461.00</u>
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ENGINE/CYLINDERS: 2.3L/4 cylinders

Approximate delivery 90 days A.R.O.

Option(s)

Type HFU: 4WD SUV with standard equipment	add	<u>\$1605.00</u>
AASIS MATERIAL #10123533		

110-volt power outlet in front console	add	<u>\$180.00</u>
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Retractable cargo area cover		<u>NOT AVAILABLE</u>
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Engine Block Heater	add	<u>\$35.00</u>
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Delivery Charge for AR Cooperative Purchasing Program Participants: *\$0.90 per mile per vehicle*
* \$27.00 minimum charge*

ITEM 6: TYPE HST: 7-PASSENGER SUV, FOUR-DOOR, 4WD

NO AWARD: TO BE RE-BID

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TERM AWARD TERMS AND CONDITIONS

1. GENERAL: All terms and conditions stated in the invitation for bid govern this contract.
2. PRICES: Prices are firm and not subject to escalation, unless otherwise specified in the invitation for bid.
3. DISCOUNTS: All cash discounts offered will be taken if earned.
4. TAXES: Most state agencies must pay state sales tax. Before billing, the contractor should contact the ordering agency to find out if that agency must pay sales tax. Itemize state sales tax when applicable on invoices.
5. BRAND NAME REFERENCES: The contractor guarantees that the commodity delivered is the same as specified in the bid.
6. GUARANTY: All items delivered are to be newly manufactured, in first- class condition, latest model and design, including, where applicable, containers suitable for shipment and storage unless otherwise indicated in the bid invitation. The contractor guarantees that everything furnished hereunder will be free from defects in design, workmanship, and material; that if sold by drawing, sample or specification, it will conform thereto and will serve the function for which furnished. The contractor further guarantees that if the items furnished hereunder are to be installed by the contractor, such items will function properly when installed. The contractor also guarantees that all applicable laws have been complied with relating to construction, packaging, labeling, and registration. The contractor's obligations under this paragraph shall survive for a period of one year from the date of delivery, unless otherwise specified in the invitation for bid.
7. AWARD: This contract award does not authorize shipment. Shipment against this contract is authorized by the receipt of a purchase order from the ordering agency. A written purchase order mailed or otherwise furnished to the contractor results in a binding obligation without further action by either party.
8. DELIVERY: The term of the contract is shown on the face of the contract award. The contractor is required to supply the state's needs during this term. The number of days required to place the commodity in the receiving agency's designated location under normal conditions is also shown. Consistent failure to meet delivery without a valid reason may cause removal from the bidders' list or suspension of eligibility for award.
9. BACK ORDERS OR DELAY IN DELIVERY: Back orders or failure to deliver within the time required may be default of the contract. The contractor must give written notice to the Office of State Procurement and ordering agency of the reason and the expected delivery date. If the reason is not acceptable, the contractor is in default. The Office of State Procurement has the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere.

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10. **DELIVERY REQUIREMENTS:** No substitutions or cancellations are permitted without written approval of the Office of State Procurement. Delivery shall be made during agency work hours only, 8:00 a.m. to 4:30 p.m., unless prior approval for other delivery has been obtained from the agency. Packing memoranda shall be enclosed with each shipment.
11. **STORAGE:** The ordering agency is responsible for storage if the contractor delivers within the time required and the agency cannot accept delivery.
12. **DEFAULT:** All commodities furnished will be subject to inspection and acceptance of the ordering agency after delivery. Default in promised delivery or failure to meet specifications authorizes the Office of State Procurement to cancel this contract or any portion of same and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting contractor.
13. **VARIATION IN QUANTITY:** The state assumes no liability for commodities produced, processed or shipped in excess of the amount specified herein.
14. **INVOICING:** The contractor shall submit an original and two copies of an itemized invoice showing the bid number and purchase request number when itemized in the invitation for bid. Invoices must be sent to "Invoice to" point shown on the purchase order.
15. **STATE PROPERTY:** Any specifications, drawing, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the contractor hereunder or in contemplation hereof or developed by the contractor for the use hereunder shall remain property of the state, be kept confidential, be used only as expressly authorized, and be returned at the contractor's expense to the F.O.B. point, properly identifying what is being returned.
16. **ASSIGNMENT:** This contract is not assignable nor the duties hereunder delegable by either party without the written consent of the other party to the contract.
17. **OTHER REMEDIES:** In addition to the remedies outlined herein, the contractor and the state have the right to pursue any other remedy permitted by law or in equity.
18. **LACK OF FUNDS:** The state may cancel this contract to the extent funds are no longer legally available for expenditures under this contract. Any delivered but unpaid for goods will be returned in normal condition to the contractor by the state. If the state is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, the contractor may file a claim with the Arkansas Claims Commission. If the contractor has provided services and there are no longer funds legally available to pay for the services, the contractor may file a claim.
19. **QUANTITIES:** The state may order more or less than the estimated quantity in the invitation for bid.
20. **DISCLOSURE:** Failure to make any disclosure required by the Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.